

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Y Pwyllgor Safonau Ymddygiad / Standards of Conduct Committee  
Ymchwiliad i Lobïo / Inquiry into Lobbying  
Ymateb gan Neil McEvoy / Evidence from Neil McEvoy

1. Is there a need for change?

- 1.1. Yes. There seems to be no real protection for the public, for politicians or for lobbyists at the moment. And there seems to be confusion amongst the Welsh Government about lobbyists' access to Welsh Ministers.
- 1.2. On 12 July 2016 the First Minister stated to me in plenary that "commercial lobbyists don't have access to Welsh Ministers". After my short debate on bringing lobbying out into the open the Leader of the House and Chief Whip, Jane Hutt AM, stated the government's position. She said "It is a very straightforward position. I'm very glad to make it clear today that Ministers do not meet commercial lobbyists..."
- 1.3. But clearly it isn't that straightforward because I later produced photographic evidence of Welsh Ministers with commercial lobbyists. One, the Cabinet Secretary for Finance, was on a panel with a commercial lobbyist, while the Cabinet Secretary for Communities and Children was the keynote speaker at an event hosted by a commercial lobbying firm. When I asked the First Minister to explain his inconsistency he was initially flustered, stating that "I mean, Ministers do speak at events that are organised by organisations..." Then he gave a clear picture of precisely why we need change and a full register of lobbyists in Wales. He said "...Ministers do not have formal meetings with lobbyists." Herein is the problem. The First Minister accepts that Ministers meet with lobbyists but he acknowledges that these meetings are informal. That is the very worst situation. Informal influence by lobbyists is a recipe for corruption and is the very situation my calls for a register of lobbyists seeks to avoid.

- 1.4. The First Minister then went on to say “If he [Neil McEvoy] is saying that no Minister should ever meet, either formally or informally, with anybody who is remotely connected to a lobbying organisation, that's just impractical”. That shows that the First Minister does not understand what I am saying. I have never suggested to him that Ministers should not meet with lobbyists. That is not the change I'm calling for. My campaigning has been to bring lobbying out into the open. That means lobbyists being identifiable on a formal Welsh register, formal meetings between Ministers and lobbyists taking place with these meetings made public, and the details of the contracts of lobbying firms also put in the public domain e.g. how much money is involved and what the lobbying contract is trying to influence.
- 1.5. The clear confusion surrounding lobbyist access to government ministers shows why a formal regulatory regime is needed.
- 1.6. Furthermore, Wales has opted not to introduce robust legislation on lobbying, choosing not to implement even the very modest reforms at Westminster. Scotland meanwhile has taken the lead in the UK context with the Lobbying (Scotland) Bill. This risks leaving Wales behind and putting us in a situation where we have the most lax regulation on lobbying in the UK.
- 1.7. Lastly, the lobbyists themselves are supporting reform. On 25 July 2016 Deryn, one of Wales' largest lobbying firms, stated that “We are members of the APPC – the UK-wide body and register all of our clients publicly with them, we would also be happy to see a Wales specific register.”<sup>1</sup> Daran Hill, of Positif Politics has also repeatedly called for reforms. It's notable that in 2011 he said:
- 1.8. "When you give someone legislative powers, it's a game changer. People in the business sector will look at the legislative programme and think, is there an opportunity here or is there a threat here? That often mobilises people to become more engaged with politics.”<sup>2</sup>

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<sup>1</sup> <http://www.walesonline.co.uk/news/politics/plaid-politician-been-criticised-over-11659526>

<sup>2</sup> <http://www.walesonline.co.uk/business/business-news/daran-hill-man-politicians-ear-1825047>

1.9. Welsh politics has changed. We now have an Assembly with full law-making powers that presides over a budget of more than £15 billion. As a result, people are mobilising. Further devolution, particularly over taxation, means the Welsh Government will have enhanced financial powers. With Welsh democracy changing the regulation governing people trying to influence our democracy must also change. The political context has also clearly changed, with public trust in politics lowering and focus on vested interests growing all the time. This would not be the time, therefore, for the Standards Committee to conclude that lobbyists should not be regulated, with further commitment to open government not needed.

2. What do you understand by the term lobbying?

2.1. When I'm talking about lobbying I'm usually referring to third party lobbyists who act on behalf of their clients for a paid fee in order to influence Government and legislation. However, consideration of regulation for 'in house' lobbyists, including those working for legal firms, should also be given. People who try to influence voluntarily, either individually or collectively through community campaigns, I do not consider to be lobbyists.

3. How is lobbying regulated at the moment?

3.1. Lobbying at the moment is left largely for Ministers and lobbyists to regulate themselves. Ministers are regulated by the Ministerial Code, which makes only one mention of lobbying: '5.25 On leaving office, Ministers will be prohibited from lobbying Government for two years.'

3.2. Lobbyists have the option of a voluntary register and code through the Association for Professional Political Consultants (APPC) as well as a voluntary code through Public Affairs Cymru. A voluntary register and code fails for a number of reasons.

- 3.3. The banking industry was left to regulate itself, to disastrous consequences with the financial crash in 2007. In addition, the voluntary register is a UK register, not a Welsh one. That means that for a lobbying firm that operates in more than one of the UK's four nations it's impossible to know which government they're trying to influence. To take as an example, Grayling is a UK-wide firm. If I look at its profile on the APPC voluntary register I see a list of its clients throughout the UK. It's impossible to know which of their clients are attempting to influence the Welsh Government and Welsh legislation.
  - 3.4. The voluntary register also tells us nothing about the nature of the contracts i.e. how much money is involved and what influence the client is seeking. Hence, the register fails to be useful in any way.
  - 3.5. In discussions with the APPC it was made clear to me that if any extra requirements were added to the voluntary register then their members would simply leave. This shows a real lack of commitment from their members to open government and to having a robust register. This, to me, is an argument in favour of a statutory register. If lobbyists are left with a voluntary code they will only provide the minimum of information they can. Through statutory regulation they will have to be registered and to make public the nature of their contracts with their clients.
4. Do you consider yourself a lobbyist? How is lobbying regulated within your sector at the moment? E.g. if you are a private business, third sector, professional organisation.
    - 4.1. No. I'm an Assembly Member.
5. Have you encountered any problems with the current arrangements?
    - 5.1. As identified in my responses above, there are significant problems with the current arrangements:
      - 5.1.1. There is no statutory register and relying on the lobbying industry to police itself is negligent.

5.1.2. There is no Welsh register – statutory or voluntary – meaning it’s impossible to identify which clients of lobbying firms are trying to influence legislation or Ministers in Wales.

5.1.3. The voluntary register does not include useful information, especially how much money is involved in a lobbying contract and what or whom the lobbying firm is seeking to influence.

5.1.4. As lobbyists are not officially registered through a Welsh register it’s not possible to keep a public record of when Government representatives meet with registered lobbyists.

6. Are there any areas you consider to be unregulated in this area which pose a risk to the accountability and reputation of governance in Wales?

6.1. Yes I do and it’s clear that the public is increasingly feeling the same way. As noted above, the lobbying industry is simply not regulated in Wales.

6.1.1. There is no statutory register of lobbyists.

6.1.2. Ministers don’t publish their diaries so we don’t know when they meet with lobbyists

6.1.3. There is no specifically Welsh register, including a voluntary one

6.1.4. The public and the people lobbyists try to influence don’t have access on information relating to the money involved in a lobbying contract and what the purpose of the contract is i.e. what they’re trying to influence.

6.1.5. The UK Parliament and especially the Scottish Parliament now have a significantly enhanced regulatory regime on lobbying compared to Wales.

6.2 As a result, clear conflicts of interest keep arising in Welsh politics, which are being made public:

6.2.1 Last September there was a call for a probe into an ex-Special Advisor’s connection with a lobbying firm<sup>3</sup>

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<sup>3</sup> <http://www.walesonline.co.uk/news/politics/call-probe-ex-special-advisers-11889623>

6.2.2 Last July the media covered my calls for a register after I challenged the First Minister that lobbyists are selling access to decision makers in Government<sup>4</sup>

6.2.3 Also in July the Director of a lobbying firm was publicly criticised for sitting on the governance committee of Associated Community Training (ACT), while also maintaining ACT as a client of her lobbying firm.<sup>5</sup> ACT received significant Government funding. I note that the same Director also sits on Ofcom's Advisory Committee for Wales, while also maintaining Ofcom as a client of her lobbying firm.

6.2.4 In spite of the Government's reticence on the need for regulation the media keeps pointing out the anomaly of Scotland and the UK Governments having regulation but not Wales<sup>6</sup>.

6.3 With a lack of regulation it is clear that there is risk to the accountability and reputation of governance in Wales. We're relying on the lobbying industry to police itself, which it just won't do. As previously stated, the APPC has made clear that if it implemented a more robust voluntary register then its members would simply leave. And when it comes to the other voluntary organisation policing lobbyists in Wales, Public Affairs Cymru, I note the criticism of one of Wales' foremost lobbyists and founder of PAC, Daran Hill, who said:

6.3.1 'It [PAC] has become more interested in the quality of the buffet than the quality of our democracy.'<sup>7</sup>

7. What would you consider to be the impact of introducing a new regime to deal with lobbying?

7.1. Through the right regime lobbying would be brought out of the shadows and into the open. The public and legislators would know who the lobbyists are, we'd know how much money was involved in lobbying contracts and what legislation or government figures lobbyists were trying to influence.

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<sup>4</sup> <http://www.walesonline.co.uk/news/politics/assembly-member-claims-lobbyists-selling-11605691>

<sup>5</sup> <http://www.walesonline.co.uk/news/politics/plaid-politician-been-criticised-over-11659526>

<sup>6</sup> <http://www.bbc.co.uk/news/uk-wales-politics-37949267>

<sup>7</sup> <http://www.iwa.wales/click/2016/03/lobbyists-need-to-be-transparent-too/>

- 7.2. That, in itself, would be invaluable information. If any questionable decisions were made then we'd be able to see the meetings and influence being put on government in the lead up to the decision.
- 7.3. Legislators and lobbyists would also be better protected by having a clear and formal regime regulating how lobbying takes place in Wales.
- 7.4. But most of all a robust lobbying regime would give added protection to the public and would show to them that it's their interests, rather than vested interests, that are driving Government in Wales.